

FINDING OF EMERGENCY

These regulations are being implemented on an emergency basis for the immediate preservation of the public peace, health and safety, or general welfare, within the meaning of Government Code Section 11346.1.

DESCRIPTION OF SPECIFIC FACTS WHICH CONSTITUTE THE EMERGENCY

1. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (Public Law 104-193) mandated that all federal food stamp benefits be provided electronically by October 1, 2002.
2. Assembly Bill (AB) 1542, (Chapter 270, Statutes of 1997), enacted provisions impacting the California Department of Social Services (CDSS) by establishing the statewide electronic benefit transfer system (EBT). This statute adds Section 10072 to the Welfare and Institutions Code, which requires the design, development, and implementation of an EBT system for electronic access of food stamp benefits and, at county option, cash benefits. Issuance of benefits through EBT is scheduled to begin August 1, 2002. The regulations will establish the requirements for activities related to administration, maintenance and operation of EBT.
3. AB 1542, which also adds Welfare and Institutions Code Section 10077, allows the CDSS to adopt regulations for implementation of the act. It also states that the adoption of these regulations shall be deemed an emergency and necessary for the immediate preservation of the public peace, health, safety or general welfare within the meaning of Government Code Section 11346.1.
4. Furthermore, Welfare and Institutions Code Section 10077 states that the emergency regulations shall be exempt from review by the Office of Administrative Law.

INFORMATIVE DIGEST

Welfare and Institutions Code Sections 18900 through 18919 authorize California to participate in the federal Food Stamp Program that is administered at the national level by the United States Department of Agriculture (USDA), Food and Nutrition Service (FNS). CDSS oversees the program that is administered at the local level by the county welfare departments. PRWORA of 1996 (Public Law 104-193) mandates states to implement an EBT system for food stamp benefit issuance no later than October 1, 2002 (California Approved Waiver Request #2010191 and FNS approval letter dated October 12, 2001). Federal regulation 7 CFR 274.12 provides implementation requirements for an EBT issuance system for food stamp benefits as an alternative to issuing food stamp coupons. State legislation, AB 1542, establishes the authority for a statewide EBT system to issue food stamp benefits and, at county option, the issuance of cash benefits. An on-line EBT system is an issuance system in which benefits are stored in a central computer database and electronically accessed by cardholders at a point-of-sale (POS) terminal, automated teller machine (ATM), and other electronic fund transfer device utilizing a reusable plastic card. EBT is an extension of debit card access to benefit funds from POS

terminals (or ATMs) via electronic fund transfer networks. EBT is a proven technology and is operating in a majority of states.

Current state regulations do not provide the authority for EBT benefit adjustments. These regulations implement requirements in the Welfare and Institutions Code applicable to EBT benefit adjustments.

COST ESTIMATE

1. Costs or Savings to State Agencies: Insignificant costs in the current year that will be absorbed within existing budgets and resources.
2. Costs to Local Agencies or School Districts: None.
3. Nondiscretionary Costs or Savings to Local Agencies: Insignificant costs in the current year that will be absorbed within existing budgets and resources.
4. Federal Funding to State Agencies: Insignificant costs in the current year that will be absorbed within existing budgets and resources.

LOCAL MANDATE STATEMENT

These regulations implement issuance of Food Stamp and cash benefits via the EBT system. The regulations implementing issuance of cash benefits via the EBT system do not impose a mandate on local agencies or school districts because this is a county option as set forth in Welfare and Institutions Code Section 10069. There are no state-mandated local costs in this order that require reimbursement under the laws of California.

The regulations implementing issuance of Food Stamp benefits via the EBT system do impose a mandate upon local agencies, but not on school districts. There are no "state-mandated local costs" in these regulations which require state reimbursement under Section 17500 et seq. of the Government Code because any costs associated with the implementation of these regulations are costs mandated by Federal Food Stamp regulations at 7 CFR 274.12.

AUTHORITY AND REFERENCE CITATIONS

CDSS adopts these regulations under the authority granted in Welfare and Institutions Code Sections 10077, 10553, 10554, 18904, and 18904.1. Subject regulations implement and make specific Welfare and Institutions Code Section 10072(i); 7 CFR 274.12(g)(4)(ii); and California Approved Waiver Request #2010167 for 7 CFR 274.12(f)(4)(ii)(B) [subsequently renumbered to 7 CFR 274.12(g)(4)(ii)(B)].